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C O N F I D E N T I A L SECTION 01 OF 03 BEIRUT 000634

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TAGS: PREL PGOV KDEM LE SUBJECT: KHOURY PITCHES JUMBLATT ON CABINET RESIGNATION

INITIATIVE

Classified By: Jeffrey Feltman, Ambassador, per 1.4 (b) and (d).

SUMMARY

¶1. (C) Over a wine-lubricated dinner in Mukhtara on 4/28, Ghattas Khoury (former MP and now close advisor to Saad Hariri) worked to persuade Druse leader (and generous dinner host) Walid Jumblatt to back a radical, counterintuitive proposal: that the best way for the March 14 bloc to regain the political initiative would be for PM Fouad Siniora's cabinet to resign immediately after establishment of the Special Tribunal for Lebanon. Khoury argued that, upon resigning, Siniora's cabinet would acquire caretaker status, recognized constitutionally by all. The consultative process to name a new Prime Minister would begin immediately, with the March 14 majority in the lead to re-nominate Siniora. Siniora can put together a new cabinet that would win President Emile Lahoud's approval and a parliamentary vote of confidence, fine. But in the more likely scenario that Lahoud balks, Siniora still heads a caretaker cabinet that would be more powerful than the current boycotted cabinet. The real benefit of this initiative, Khoury said, was to preclude the possibility that Lahoud would appoint a competing cabinet. While Jumblatt was intrigued, he also expressed fear that the plan could backfire, with March 14 losing the premiership. Jumblatt told Khoury to compare notes with Saad Hariri for his views. On 5/4, Khoury updated the Ambassador, saying that, while he had still not briefed the peripatetic Hariri, given Hariri's exasperating extended absence from Lebanon, he had broached the idea with Lahoud's legal counsel, who agreed that Siniora's resigned cabinet would indeed have recognized constitutional caretaker status. Lahoud's legal counsel mused with Khoury about a technocratic cabinet to fill the void until the autumn presidential elections. End summary.

UNDER CURRENT PLANS, LAHOUD WILL, SOONER OR LATER, APPOINT A SECOND PM TO BATTLE SINIORA

 $\P2$. (C) Walid Jumblatt hosted the Ambassador and former MP Ghattas Khoury to dinner in the Jumblatt Mukhtara feudal fortress on 4/27. As one meal course followed another and the wines from Kefraya (with Jumblatt the majority stockholder) flowed freely, Khoury argued with increasing vehemence that the March 14 bloc needed to take a dramatic initiative once the Special Tribunal for Lebanon is established (with the unstated assumption being that the UN Security Council will take up the tribunal issue soon). If March 14 doesn't move, Khoury sketched out a depressing

scenario by which President Emile Lahoud will choose one of two paths to thwart the March 14 majority.

- (C) In the first option, Lahoud, restating his position that the Siniora cabinet does not constitutionally exist because of the absence of Shia ministers, will at any point in the coming weeks call for the mandatory consultations required by the constitution to choose a new prime minister. This still will put March 14 MPs in a bind: if they go to Baabda Palace as required in the consultative process, they acknowledge that Siniora's cabinet has collapsed, in contradiction to their position that Siniora's cabinet still enjoys the parliamentary vote of confidence bestowed upon it in July 2005. If they do not go to Baabda, then the 57 MPs from the Hizballah, Amal, and Aoun blocs will choose an alternative PM, creating a second cabinet. While the parliament would never give that second PM a vote of confidence, Lahoud, Aoun, and the pro-Syrian parties would consider the second PM to be a caretaker PM, heading a caretaker cabinet. Lahoud's second option will be simply to wait until the end of his term on November 24 and appoint a caretaker PM then (a la Amin Gemayel in 1988, although Gemayel had stronger constitutional justification for that step, the Taif accord's weakening of the presidential powers).
- 14. (C) In both of these scenarios, Lebanon ends up with two competing cabinets, with Siniora heading the one recognized as legitimate by the international community and a Lahoud appointee heading one recognized by Syria, Iran, Hizballah, Amal, Aoun, and other pro-Syrian forces. That then establishes the scenario for chaos with presidential elections, as March 14 MPs elect a president while the Lahoud-appointed PM is appointed caretaker head of state as Lahoud heads for the exit. March 14 has a president that

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can't enter Baabda Palace, and the pro-Syrians have a caretaker head of state with the trappings of power. Who knows what the army will do in that case. "Walid bey," Khoury pressed, invoking Jumblatt's hereditary Ottoman title, "we need to avoid the two-government disaster if we can."

ADVOCATING SINIORA'S RESIGNATION

- 15. (C) To avoid the double-government scenario, Khoury said that, once the Special Tribunal for Lebanon is established, Siniora should claim victory, noting that a key part of his government's program has been fulfilled. At that point, Siniora should resign. With that resignation, his cabinet, constitutionally, becomes a caretaker cabinet. By law, a caretaker cabinet can only deal with routine matters defined fairly narrowly, but Siniora's cabinet cannot do even that effectively now. The resigned Shia ministers as well as the hapless Yacoub Sarraf would also have caretaker status, so the cabinet would in fact function more normally than now. Paris III reforms would have to wait, since they would fall beyond the scope of routine matters. But perhaps Siniora could push through at least some of those now, before he resigns.
- 16. (C) Per Lebanon's constitution, the consultative process for selecting a new PM would commence immediately, with Lahoud convoking MPs to Baabda Palace to bestow their choice of a PM with him. The March 14 MPs would simply force a reappointment of Siniora through the binding process (which is essentially a vote by MPs). Perhaps Siniora would be able to assemble a new cabinet that would win Lahoud's approval and then proceed to the parliament for a vote of confidence. But, more likely, Lahoud will use one of his constitutional powers to withhold signing any new cabinet decree -- meaning that the caretaker Siniora cabinet stays in place.

17. (C) Khoury acknowledged that he was suggesting a high-risk move that appears counterintuitive, given the March 14 insistence on protecting the one senior office it controls. The pro-Syrians would certainly claim victory publicly, saying that they achieved their demand that Siniora resign. But, if successful, the March 14 bloc would have essentially outmaneuvered the March 8-Aoun forces, by using the resignation to eliminate the threat of Lahoud appointing a second PM. Instead, everyone will focus on replacing the resigned Siniora cabinet.

JUMBLATT "INTERESTED," BUT WARY

18. (C) Jumblatt (who had fixed an eye-bulging stare on Khoury throughout the presentation) pronounced the proposal as "interesting." Khoury answered Jumblatt's first question -- "what does Saad think?" -- by claiming that Jumblatt and the Ambassador were the first audience for his idea. Hariri doesn't yet know about it, since Khoury has difficulties communicating with Hariri when he is not in town. Saying that he wanted to think about the idea, Jumblatt noted that it would have to be orchestrated in advance with Parliament Speaker Nabih Berri, to make sure that Siniora's cabinet was indeed considered by the March 8-Aoun bloc to be a caretaker cabinet constitutionally. If the March 8-Aoun bloc continues to deny the existence of the Siniora cabinet, then March 14 has "committed suicide" by giving up the cabinet. Jumblatt also noted that there would have to be unity in the March 14 ranks behind such an idea. All MPs would have to go to Baabda or bestow their "votes" for PM with others who would.

LINKING ASSIGNMENT OF MINISTERS TO AGREED UPON GOVERNMENT PROGRAM

19. (C) Jumblatt also noted that the sequencing of deciding the ministerial portfolios and cabinet agenda decree would have to be telescoped into one step. Otherwise, a cabinet more skewed to March 8 could become the caretaker cabinet, replacing the existing cabinet, without any definition as to what the cabinet program will be. (Usually, the PM-designate decides on his slate of ministers first. The president then has the power to sign a decree listing the entire cabinet-designate. The cabinet at that point becomes a new

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caretaker cabinet, replacing the previous caretaker cabinet. Then the entire cabinet is involved in drawing up the cabinet agenda decree, essentially outlining the proposed government program that is submitted to the parliament along with the cabinet slate for a vote of confidence.) Khoury agreed that Siniora, as PM-designate, could not give the list of ministers to Lahoud to approve until the government program had been worked out. Shaking his head at the risks, Jumblatt nevertheless repeated his description of the proposal as "initiative" and urged Khoury to discuss it with Hariri as soon as possible.

LAHOUD'S LEGAL ADVISOR CONFIRMS CARETAKER STATUS OF RESIGNED CABINET

¶10. (C) The Ambassador met Khoury on 5/4 to ask for an update. Khoury said that he had not yet briefed the ever-absent Hariri, but he had, in fact, broached the subject with Selim Jeressaiti, Lahoud's legal advisor and close political confidante, on 5/3. Khoury said that he wanted Jeressaiti's view of what the status of Siniora's existing cabinet would be if Siniora resigned. While cautioning that he could not promise how Lahoud might react, Jeressaiti said that he would advise Lahoud that, constitutionally, Siniora's cabinet at that point does, in fact, exist as a caretaker cabinet. "That's what we need," Khoury told the Ambassador.

(C) Jeressaiti said that he liked the idea as a way out of the current deadlock, and -- acknowledging that Siniora could be renominated by March 14 MPs -- suggested that Siniora appoint a technocratic cabinet for the interim period between now and presidential elections. Khoury thought that Jeressaiti's idea had merit, as Lebanon had good experience with Najib Mikati's ten-week technocratic cabinet in 2005 and the idea would be welcomed by the average Lebanese. Khoury told the Ambassador that he had warned Jeressaiti that the ministerial portfolios could not be assigned in isolation, that the government program would have to be agreed upon simultaneously. Jeressaiti advocated a simple, short government program, as the period between Siniora's resignation and presidential elections is too abbreviated for major policies. Clearly, Khoury said, there is work to do, but he thought that Hariri would be intrigued enough to authorize him to float this idea with a variety of March 14 leaders.

COMMENT

- patient. The patient deserves a second and third opinion. Lest Khoury kill the Siniora cabinet inadvertently, we urged him to get March 14 lawyers involved, to avoid any pitfalls in this high-risk strategy before he rashly moves ahead. doubt Jeressaiti is already thumbing through his copy of Lebanon's much-abused constitution, trying to find ways of seizing a Siniora resignation to the pro-Syrians' advantage, and Khoury needs legal expertise on his team. There are also questions to be answered first: would the Shia ministers (who are currently performing their duties as if in caretaker status) actually return to caretaker cabinet, once Siniora resigns? Where a universally recognized caretaker cabinet may be preferable than the partially delegitimized cabinet Siniora now has the dubious honor of heading, a delegitimized caretaker cabinet that remains devoid of Shia participation would be even worse.
- 113. (C) We also note that, typical for recent March 14 proposals, this initiative is focused on process, not substance. We are also advocating (as reported in septels) that, whatever happens with the Siniora cabinet, the March 14 movement needs to come up with a political initiative that tells the Lebanese what the program of a March 14 president and new March 14 cabinet would be. Nevertheless, like Jumblatt, we are intrigued by Khoury's proposal. In deference to his request, we won't shop this around ourselves until he has had a chance to consult with Hariri. ("Don't tell Siniora I want him to resign!" Khoury joked.) But he seems to be focused on finding a way by which the peculiarities of Lebanon's cabinet formation process can be used to fend off Lahoud's threat of appointing a second cabinet. It is an intriguing approach.